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SUBJECT: CODEL MEEKS MEETS AFRICAN DEVELOPMENT BANK LEADERSHIP

REF: TUNIS 585

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Summary

11. (U) During the visit of CODEL Meeks to Tunisia August 27-30, delegation members discussed the impact of the global economic crisis on the African continent in several encounters with senior officials of the African Development Bank (AfDB). AfDB Senior Staff described the Bank's medium-term strategy and discussed changes in demand due to the crisis. AfDB President Kaberuka told the members that Africa had turned the corner and was on its way to recovery, but that this process depended on continued support from the United States and AfDB. The delegation also discussed transparency issues, the role of China in the region, the Bank's strategy on Zimbabwe, and AfDB's cooperation with other multilateral lending institutions.
End Summary.

12. (U) CODEL Meeks (comprised of Representatives Gregory Meeks (D-NY), Jack Kingston (R-GA), Sheila Jackson Lee (D-TX), Mel Watt (D-NC), and Marcia Fudge (D-OH)) had several meetings with the leadership of the African Development Bank (AfDB) during their visit to Tunis August 27-30. As Chair of the House Financial Services Committee, Congressman Meeks takes a special interest in the work of the AfDB. While several members had met AfDB President Donald Kaberuka previously in Washington, this was the first visit of a CODEL to the AfDB's temporary headquarters in Tunis. (Note: The bank was obliged to evacuate from its permanent seat in Abidjan in 2003 due to the deterioration of political conditions in Cote d'Ivoire. End note.)

Roundtable on AfDB Strategy

13. (U) The delegation's principal interaction with the AfDB was a roundtable meeting hosted by President Kaberuka on August 28. During the roundtable, Kaberuka and AfDB senior staff described the reforms the Bank is currently undertaking, summarized the Bank's medium-term strategy, and discussed how the Bank is responding to increased demand in the wake of the global slowdown. Some of the specific issues that the presentation highlighted included the growth of private sector operations, the Bank's efforts to increase the selectivity of its operations, the Bank's focus on results, infrastructure, food security, gender, and fragile states, and the AfDB's financing needs as a result of increased lending.

¶4. (SBU) President Kaberuka, in response to a question from the delegation about coordination with the IMF and the World Bank, noted that coordination with those institutions is good. He highlighted the co-financing of projects with the World Bank, the policy coordination with the IMF, and the Bank's \$500 million contribution to the IFC Global Trade Liquidity Program. In response to a question on transparency challenges, the head of the AfDB's Anti-Corruption and Investigation Unit discussed the steps the Bank has taken to try to prevent procurement corruption and the investigations process for reported corruption.

Zimbabwe, China, and U.S. Support

¶5. (SBU) CODEL members also asked AfDB officials about AfDB's relationship with Zimbabwe and China, and how the U.S. can best support the Bank. On Zimbabwe, Kaberuka said the government needs to implement all the measures set out in the unity agreement, which they are currently failing to do. Regarding China, Kaberuka noted that China is a shareholder of the AfDB and the Bank recently had its annual meeting there, so the relationship is positive. He noted that the Bank takes debt sustainability issues seriously, but it is the responsibility of African governments to negotiate the right deals with China and others. His message for Washington is that Africa has turned the corner, irrespective of the crisis. Many African countries have made the right policy reforms and are growing despite the crisis, but they require active support from the U.S. and AfDB. He noted that the financial crisis which has caused this global slowdown is largely an exogenous shock for Africa, whereas in the past, most of Africa's crises were of Africa's own making.

¶6. (U) President Kaberuka also hosted the delegation for dinner at his residence on August 28 and the U.S. Executive Director's Office hosted a separate dinner for the delegation on August 29. During

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those events, the delegation was able to hear in more detail about the Bank's organization, internal structuring, and thoughts on the potential timeline of the Bank's move back to Abidjan. The delegation was planning to visit an AfDB project in Rwanda later on in their trip as well as stops in Harare and Dakar.

¶7. (U) CODEL Meeks did not have an opportunity to clear this message before departing Tunisia.